

## PERSONAL LINES

### Comprehensive Coverage

#### How to Explain Any Coverage: Tips & Tricks

- 2 Sentences & A Question: Make it a conversation
- Nana Principle: Use the vocabulary you would use with your Nana (nothing complicated)
- Be Concise: try not to talk in circles
- Tell A Story to Illustrate the Coverage
- Always talk about pricing in monthly amounts
- If someone is not interested ask a few more questions and always document your system

#### Coverage Explanation

Comprehensive coverage, in the context of insurance, typically refers to a type of auto insurance coverage that helps pay for damage to your vehicle that is not caused by a collision. While collision coverage helps pay for repairs to your car in the event of a collision with another vehicle or object, comprehensive coverage protects a broader range of risks.

Comprehensive coverage often includes protection against damages caused by:

1. Theft: If your vehicle is stolen, comprehensive coverage may help cover the cost of replacing it.
2. Vandalism: If your car is intentionally damaged by someone, comprehensive coverage may cover the repairs.
3. Natural Disasters: Damage caused by events such as earthquakes, floods, hurricanes, tornadoes, or other natural disasters is typically covered.
4. Falling Objects: Coverage for damage caused by falling objects, such as tree branches.
5. Animal Collisions: If you collide with an animal, such as a deer, comprehensive coverage may help pay for repairs. (this is different than "running over an animal" which is considered a collision most of the time.)
6. Glass Damage: Damage to your windshield or other glass components of your vehicle may be covered.

It's important to note that comprehensive coverage is usually optional, and whether a customer needs it depends on factors such as the value of their vehicle, risk tolerance, and the likelihood of certain events occurring in their area. If they have a car loan or lease, their lender or leasing company may require them to have comprehensive coverage.

## How the Policy Helps Clients

Comprehensive coverage in insurance protects a wide range of risks and perils that may damage or result in the loss of property. This type of coverage is typically associated with auto and property insurance, and it goes beyond basic coverage options. Here are several ways in which comprehensive coverage can benefit clients:

1. **Protection Against Non-Collision Events:** Comprehensive coverage helps protect against non-collision events, such as theft, vandalism, fire, natural disasters, and falling objects. This ensures that assets are covered in a variety of scenarios beyond typical accidents.
2. **Financial Security:** In the event of a covered incident, comprehensive coverage can help mitigate the financial impact of repairing or replacing property. Without this coverage, the customer would be responsible for covering losses on their own.
3. **Asset Protection:** for a financed car or home, comprehensive coverage is often required by lenders. This is because it helps protect the asset that serves as collateral for the loan. This is particularly important for high-value assets.
4. **Peace of Mind:** Knowing that your insurance policy includes comprehensive coverage can provide peace of mind. It means you are financially protected from a broader range of risks, reducing the stress associated with unexpected events.
5. **Coverage for Unpredictable Events:** Accidents and incidents can occur that are beyond your control. Comprehensive coverage helps fill the gaps left by other types of insurance that focus primarily on collision or specific perils.
6. **Flexible Coverage Options:** Comprehensive coverage can often be customized to meet specific needs. You can adjust deductibles and coverage limits to align with risk tolerance and budget.
7. **Single Policy Convenience:** Many insurance policies offer comprehensive coverage as part of a package, combining it with collision coverage and liability coverage. This streamlines the insurance process, making it more convenient for clients.

It's important to note that while comprehensive coverage provides extensive protection, it may not cover every possible scenario. Policyholders should carefully review their insurance policies, understand the coverage limits and exclusions, and consider additional endorsements or riders if needed. Additionally, the cost of comprehensive coverage can vary, so clients should evaluate their circumstances and risk tolerance to determine if it's a worthwhile investment for them.

## Example of Claims

Comprehensive insurance covers a variety of non-collision events that can cause damage to your vehicle or property. Here are some common examples of comprehensive claims:

1. **Theft:** If your car is stolen, comprehensive coverage can help cover the cost of replacing the stolen vehicle.
2. **Vandalism:** Damage to your vehicle or property resulting from deliberate acts of vandalism, such as

keying, graffiti, or malicious destruction.

3. Fire Damage: Comprehensive coverage protects against damage caused by fires, whether the fire is accidental or intentional.

4. Natural Disasters: Events like earthquakes, floods, hurricanes, tornadoes, and other natural disasters can cause extensive damage. Comprehensive coverage helps pay for repairs or replacement.

5. Falling Objects: Damage caused by falling objects such as tree branches, rocks, or debris is covered under comprehensive insurance.

6. Animal Collisions: If you collide with an animal, such as a deer or a tree-dwelling creature, comprehensive coverage can help cover the cost of repairs.

7. Hail Damage: Comprehensive coverage is commonly used to cover damage caused by hailstorms, including dents and broken windows.

8. Broken Glass: Damage to your vehicle's glass, such as a cracked windshield, is typically covered under comprehensive insurance.

9. Civil Disturbances: Damage resulting from civil disturbances, riots, or civil unrest may be covered by comprehensive insurance.

10. Flood Damage: While flooding is often a separate insurance policy, comprehensive coverage can sometimes include damage caused by certain types of floods, excluding others like those caused by a storm surge.

It's important to note that coverage can vary based on the insurance policy and the specific terms and conditions outlined in it. Additionally, deductibles and coverage limits will impact the amount the insurance company pays out for a claim. Agents and Policyholders should carefully review their insurance policy and consult with their insurance provider to understand the scope of coverage and any exclusions.

## How to Explain It to Clients

Explaining comprehensive coverage to a client involves breaking down the key components and benefits of this type of insurance. Here's a step-by-step guide you can use:

### 1. Define Comprehensive Coverage:

Start by providing a clear definition of comprehensive coverage. You can say something like, "Comprehensive coverage is an insurance policy that protects you from a wide range of risks and incidents that are not related to collisions with other vehicles."

### 2. Covered Perils:

Explain the various perils or events that comprehensive coverage typically includes, such as theft, vandalism, fire, natural disasters, falling objects, animal collisions, and more. Emphasize that it goes beyond basic collision coverage.

### 3. Asset Protection:

Highlight the role of comprehensive coverage in protecting the client's valuable assets, such as their car or home. If they have a financed vehicle or mortgage, mention that lenders often require comprehensive coverage to safeguard their investment.

#### 4. Non-Collision Events:

Emphasize that comprehensive coverage is designed to cover damages from non-collision events, providing financial protection in scenarios where the insured vehicle or property is damaged but not due to a direct impact with another object.

#### 5. Peace of Mind:

Explain that having comprehensive coverage can offer peace of mind by reducing the financial burden associated with unexpected events. Clients can rest assured that their insurance extends beyond typical accidents.

#### 6. Examples of Claims:

Provide specific examples of claims covered by comprehensive insurance, such as theft, vandalism, hail damage, fire damage, and more. Real-world examples help clients understand the practical application of the coverage.

#### 7. Customization Options:

Mention that comprehensive coverage often allows for customization. Clients can adjust deductibles and coverage limits to align with their preferences and budget, providing a level of flexibility in tailoring the policy to their needs.

#### 8. Policy Bundling:

If applicable, explain that comprehensive coverage is often bundled with other types of coverage, such as collision and liability coverage, offering a comprehensive insurance package that covers a broad range of risks.

#### 9. Cost Considerations:

Discuss the cost of comprehensive coverage, explaining that the premium may vary based on factors like the type of vehicle, location, the client's driving history, and the chosen coverage limits. Encourage clients to consider their individual circumstances when evaluating the cost-benefit ratio.

#### 10. Review Policy Documents:

Encourage clients to carefully review their policy documents, including terms, conditions, and any exclusions related to comprehensive coverage. This ensures they have a clear understanding of what is covered and what is not.

By taking a systematic approach and using clear, relatable language, you can help clients understand the value and importance of comprehensive coverage in protecting their assets from a variety of risks.

### Common Objections

Objection	Response
"I'm a safe driver, and I don't anticipate accidents."	"Comprehensive coverage goes beyond accidents. It protects you from non-collision events like theft, vandalism, and natural disasters. Even the safest drivers can encounter unexpected incidents."
"I don't live in an area prone to natural disasters"	"While location plays a role, comprehensive

<p>or high crime rates."</p>	<p>coverage also protects against a range of events like animal collisions, falling objects, and even minor incidents like windshield damage. It's about being prepared for various unexpected scenarios."</p>
<p>"I can't afford the additional premium for comprehensive coverage."</p>	<p>"I understand budget considerations. Let's discuss different deductible options and find a balance between affordability and sufficient coverage. Comprehensive coverage can be customized to fit your needs."</p>
<p>"My car is old, and its value has depreciated. Is it worth it?"</p>	<p>"Even with an older car, comprehensive coverage can be valuable. Consider the potential repair or replacement costs. If the cost of coverage is reasonable compared to the potential expenses, it might still be a wise investment."</p>
<p>"I already have basic liability insurance; isn't that enough?"</p>	<p>"Liability insurance covers damage to others, but it won't protect your own vehicle from various risks. Comprehensive coverage ensures that your car is protected from theft, fire, and other non-collision incidents."</p>
<p>"I have a garage and take good care of my belongings. Do I really need this?"</p>	<p>"While precautions are great, comprehensive coverage provides a safety net for unexpected events outside your control. It's an added layer of protection, especially for scenarios like vandalism or natural disasters."</p>
<p>"I rarely drive and don't use my car much."</p>	<p>"Even if you drive infrequently, your car is still vulnerable to certain risks when parked. Comprehensive coverage ensures that your vehicle is protected when you're not actively driving it."</p>
<p>"I've never had a problem before; why should I start paying for this now?"</p>	<p>"While past experiences are positive, insurance is about preparing for the unexpected. Comprehensive coverage offers peace of mind and financial protection in case of unforeseen events, even if you haven't faced issues in the past."</p>
<p>"I have an emergency fund; I can cover any unexpected expenses."</p>	<p>"Having an emergency fund is great, but comprehensive coverage provides an additional layer of financial protection. It can help you avoid dipping into your savings for unexpected repair or replacement costs."</p>
<p>"I'll just take my chances and deal with issues as they come up."</p>	<p>"While that's an option, comprehensive coverage helps you proactively manage risks. It provides a</p>

financial safety net and can save you from substantial expenses in the event of an unexpected incident."